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ABSTRACT

The costs involved in providing testing and placement for handicapped children, as required by the Education for All Handicapped Children Act of 1975, do not seem to have been taken into sufficient consideration by the legislators enacting the legislation. A study of the direct costs for providing minimal testing and placement services for the 58 students affected in Arkansas' Batesville School District 1 in the 1977-78 school year showed costs of \$123.60 per child, involving expenditure of 11 1/2 hours per child. Federal funding granted for these services amounted to only \$35.00 per pupil. The report concludes with recommendations for remedying the situation. (Author/PGD)

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**A COST AND TIME ANALYSIS
OF SPECIAL EDUCATION DUE PROCESS PROCEDURES**

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Research Report 79 - 6

Arkansas School Study Council

Section 1

INTRODUCTION

Serious and complex problems challenge educators today. Changes in educational programs are necessary due to pressure from federal and state government, national and state organizations, and local patrons within a given district to improve existing services and to implement new services. School boards and administrators must be cognizant of these pressures for change and make every attempt to implement those programs necessary to provide maximum educational opportunities for the patrons of their district.

Involved in implementation is finance. Many of the changes needed and demanded are expensive to provide. Especially difficult for most school districts in terms of finance is implementation of programs stemming from federal and state laws concerning education for the handicapped. Many times legislators who pass the laws because of popular demand and because of a sincere feeling that the need is present are unaware of the actual cost involved in implementation. Even many educators are unaware of the actual cost until after the programs have been fully implemented. An important element in recent legislation for the education of the handicapped is

implementation by the local school district of due process procedure to insure the legal rights of the child to proper placement in the least restrictive setting.

The intent of this study was to provide relevant data in the implementation of due process procedure as outlined by legislation for the handicapped for the Batesville School District #1.

STATEMENT OF THE PROBLEM

The purpose of this study was to determine the cost to the Batesville School District #1 of implementation of due process procedure to the handicapped child for the school year 1977-78 as outlined in Public Law 94-142 and the Arkansas Act 102.

In order to accomplish the objectives of this study, the following questions were posed: What does related literature reveal about the topic? Who was involved in implementation of due process procedure for the handicapped at the local level? How much time did each person spend on the due process procedure? What did this mean to the District in terms of dollars and cents? How did this compare in per pupil expenditures?

JUSTIFICATION FOR THE STUDY

One of the chief goals of education in the United States is the achievement of universal public education for all children. Equality of educational opportunity is a basic tenet of educational philosophy across the nation. One group of children has been virtually

ignored in the past, the handicapped. Public Law 94-142 and Arkansas Act 102 have been passed to insure that handicapped children will receive equality of educational opportunity. The implementation of these laws on the grassroots level has presented serious problems to administrators, school boards, teachers, and state and local governmental officials. Foremost in implementation have been problems evolving around finance.

In a study based on a cost index analysis it was found that a school ^{district} having 20,000 pupils and spending an average of \$655 per regular classroom pupil would spend \$1,243 per exceptional child in the system.¹ Public Law 94-142 does provide federal aid for implementation, but many educators believe not enough. One important component of Public Law 94-142 is emphasis on due process, which adds much to the cost of implementation. What is the actual cost of implementation of due process procedure for the handicapped in the average school system in Arkansas? Relevant data is needed to provide the educator with a clearer understanding of implementation of Public Law 94-142 and Arkansas Act 102.

PROCEDURES

In order to accomplish the purpose of this study, the following procedures were followed:

A review of literature relative to implementation of

¹Roe L. Johns and Others (eds), Planning to Finance Education (Florida: National Educational Finance Project, 1971), p. 69.

due process procedures for the handicapped was made at university libraries and other selected sources. A summary of the review of literature is reported in the study.

A review of the total Batesville School District #1 statistical reports for the school year 1977-78 was made to show the relationship of the regular programs to programs for the handicapped and to introduce the reader to the school district.

The methods used in obtaining data are given followed by an analysis of the data relevant to the per pupil cost of implementation of due process procedure for the handicapped. It should be remembered throughout the study that minimal standards were used by the Batesville School District so that the actual cost of implementation of due process could and will run much higher for school districts in the future. This study will then reveal the least amount a school district in Arkansas must pay for implementation of due process procedure for education of the handicapped.

ORGANIZATION OF THE STUDY

Chapter 1 introduces the study and contains the statement of the problem, justification of the study, procedures, and organization of the study. The remainder of the study is organized as follows: Chapter 2 is a review of the related literature; Chapter 3 reveals the status of the Batesville School District in the school year 1977-78; Chapter 4 presents the method of gathering

the data used, the analysis of the data, and the interpretation of the data; Chapter 5 presents a summary of the findings with conclusions and comments. The study concludes with a bibliography.

Section 2

REVIEW OF THE LITERATURE

The purpose of this chapter was to report the findings of the review of literature related to implementation of due process procedure as outlined by Public Law 94-142 and Arkansas Act 102. Literature was reviewed relative to the cost of implementation of due process procedure for the local school district.

PUBLIC LAW 94-142

There are approximately eight million handicapped children in the United States. Fifty percent of these children are not receiving full equality of educational opportunity.¹ In an attempt to remedy this situation for all children between the ages of three and twenty one by 1980, Congress passed the Education for All Handicapped Children Act of 1975, P.L. 94-142.² The act was designed to fulfill the ideal of the right to an education for all which is "a democratic tradition....reflected in our laws and educational practices."³

The law may be broken down into three basic parts for simplification:⁴ (1) It seeks to insure that all

¹James R. Yates, "Financing of Public Law 94-142" (A paper presented at the Annual International Convention of the Council for Exceptional Children, Atlanta, Georgia, April 11-15, 1977), p. 3.

²"U.S. Raising the Stakes on Aid to Handicapped," Compact, X (February, 1976), 10.

³Harold D. Love, Educating Exceptional Children in a Changing Society (Illinois: Charles C. Thomas, 1974) p. 11.

⁴Yates, op. cit., pp. 3-4.

handicapped children have available to them a free and appropriate public education which emphasizes special education and related services designed to meet their unique needs; (2) The law assures the children's and parents' rights are protected; and (3) The law assists states and localities and assures effectiveness of efforts. Important parts of the law to implement involve writing individual educational plans (IEP's) and due process procedures to assure the rights of the parents and children are protected. Because those backing the bill in Congress had in mind the remedying of what they considered to be a crucial injustice in our educational system, few efforts have centered upon the financial aspects of the law or the administration of the law at state and local levels.

Involved in implementation of the law are heavy costs of administration, monitoring, and facilitation.⁵ There has also been fear that the law goes too far in federal involvement in education. John Pittenger, Pennsylvania Education Secretary, said, "This new bill will increase federal aid to special education by 5% but federal regulation in that area by 50%."⁶ However, the costs involved in providing equal educational opportunity for

⁵James R. Yates, "Financing of Public Law 94-142," Education and the Training of the Mentally Retarded, XII (December, 1977), 396.

⁶Quoted in J.M. Cronin, "The Federal Takeover: Should the Junior Partner Run the Firm?" Phi Delta Kappan, 57 (November, 1976), 499.

all children between the ages of 3 and 21 who are handicapped necessitates federal aid with the current rate of inflation being what it is.⁷

The law places certain limits on implementation.⁸ Specific prioritization is required. First to receive federal aid are those handicapped children not currently being serviced by the schools. Second on the list of priorities are the severely handicapped in each disability category.

A very complex part of the law deals with excess cost. The federal aid covers the excess cost of providing education for the handicapped and federal funds are not to supplant local and state efforts in special education. Excess cost is based on expenditures of the previous year excluding capital outlay, debt service, ESEA Title I, Part B, and Title VI, and funds already being expended for the educationally deprived, bilingual, and other programs for the handicapped.

An important criticism of the law has been the vague terminology used which complicates implementation and adds to the costs.⁹ Terms such as "excess cost," "Appropriate education," "Least Restrictive," "Due Process," etc., are difficult to comprehend when such concepts must be implemented and financed by the local school district.

⁷Joseph Ballard and Jeffrey J. Zettel, :Fiscal Arrangements of Public Law 94-142,: Exceptional Children, 44 (February, 1978), 333.

⁸Yates, "Financing," Paper presented, op. cit., pp. 5-6.

⁹Ibid., p. 14.

The amount of federal dollars actually available to the local school district is limited. In 1977-78 the amount per child actually reaching the local district was \$35.¹⁰

The law provides a funding formula based on the number of handicapped times a percent of average per pupil expenditure.¹¹

1978	5%	378 million
1979	10%	775 million
1980	20%	1.2 billion
1981	30%	2.32 billion
1982	40%	3.16 billion

These are authorized levels, not appropriated levels. When this formula is actually applied relatively small amounts are expended per pupil. By 1982 there would only be an additional \$375 per pupil. This does not even equal the average per pupil expenditure of the local school districts for the regular classroom pupil.

IMPLEMENTATION ON THE STATE AND LOCAL LEVELS

In compliance with federal law, the states have enacted laws to provide equal educational opportunity for all children. In Arkansas, this is Act 102. School districts in Arkansas must be in compliance with both laws. Even if a school district refused federal monies and did not comply with P.L. 94-142, the district would still have to comply with the state law. Because of suits in

¹⁰David G. Savage, "How--Starting This Fall--The New 'Handicapped Law' will Jolt Nearly Every School Board in the U.S.," The American School Board Journal, 164 (August, 1977), 55.

¹¹Yates, "Financing," Paper Presented, op. cit., p. 11.

Pennsylvania (1971) and the District of Columbia (1972) the states must now face up to their responsibilities in regard to education of the handicapped.¹² By 1977 the states were spending \$4 billion on education for the handicapped.¹³ An additional \$4.6 billion was needed for implementation of P.L. 94-142.

Arkansas has made great headway in implementation of the law for the education of the handicapped. Special education directors on both the state and local levels have worked diligently to help teachers write IEP's and to insure that due process procedures are being followed by the local school districts. With all the paper work and testing that must now be done for placement in the "least restrictive setting," cost has soared. Data from 24 school systems in California, Florida, New York, Texas, and Wisconsin was utilized to determine what a school can expect to pay per child for implementation of a high quality special education program for all handicapped children.¹⁴ This program includes all the handicapped children in a particular school district. By all handicapped children is meant: mentally retarded, hard-of-hearing, deaf, speech-impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired,

¹²Savage, op. cit., p. 53.

¹³Ibid., p. 54.

¹⁴Roe L. Johns, op. cit., pp. 55-60.

those having specific learning disabilities. The federal law, P.L. 94-142, also includes other health impaired which refers to children with limited strength, vitality or alertness due to chronic or acute health problems, such as heart condition, tuberculosis, rheumatic fever, nephritis, asthma, sickle-cell anemia, hemophilia, epilepsy, lead-poisoning, leukemia, or diabetes.¹⁵

In citing this data, the median for regular classroom instruction per child was \$655.00 in the districts studied. Cost per child of special education instruction was as followed (these are medians):

Gifted;	\$809
Educatable Mentally Retarded;	\$1,316
Trainable;	\$1,627
Auditorily impaired;	\$2,103
Visually impaired;	\$2,197
Physically impaired;	\$2,113
Speech impaired;	\$709
Learning disabled;	\$1,757
Emotionally disturbed;	\$1,683
Multiple handicapped;	\$1,941

Thus, the local school district can expect to pay a much larger amount of money for the education of the handicapped than it spends on the regular child in the classroom. This study was done before the new laws on education for the handicapped were passed. With the addition of due process procedure and IEP's, the cost will be much more. Inflation is also an important factor.

Little actual research has been done concerning the cost of due process procedure as outlined by P.L. 94-142

¹⁵"Who the Handicapped Are," The American School Board Journal, 164 (August, 1977), p. 53.

and Arkansas Act 102 as it relates to the local school district. This paper concentrates on one school district in Arkansas, the Batesville School District #1, for the fiscal year 1977-78, and the cost of implementation of due process procedure. Thus it is hoped that the literature on the subject will be broadened and further research on local implementation of due process procedure will occur.

Section 3

THE BATESVILLE SCHOOL DISTRICT #1

School Districts across the nation are caught in the economic crunch brought on by inflation, including soaring construction costs. The costs projected for implementation of Public Law 94-142 hit the schools at a crucial time. Declining enrollment has led to the closing of many schools in large cities, but this does not ease the inflationary spiral that makes it difficult for the average school district to operate.¹ California's Proposition 13 has also presented potential financial problems for the nation's schools.² It will become increasingly difficult for schools to pass budgets and bond issues that call for added expenses. Also threatening as part of the taxpayers' revolt is a cut in present levels of taxation to support public education as we know it. The Batesville School District will feel the effects if the taxpayers' revolt succeeds in Arkansas and across the nation at the federal level.

DESCRIPTION OF THE BATESVILLE SCHOOL DISTRICT

The Batesville School District is located near the center of Independence County in Northcentral Arkansas. Nine rural school districts surround the Batesville

¹"Ways of Dealing with Enrollment Decline," Phi Delta Kappan, 60 (September, 1978), pp. 20-25.

²Joan C. Baratz and Jay H. Moskowitz, "Proposition 13: How and Why It Happened," Phi Delta Kappan, 60 (September, 1978), pp. 9-11.

School District in Independence County, not all contiguous to the district: Southside, Oil Trough, Desha, Pleasant Plains, and Floral located south of the White River and Cord-Charlotte, Newark, Sulphur Rock, and Cushman located north of White River with the Batesville School District. The ten school districts in the county have cooperated in the formation of the Independence County Special Education Cooperative, with Batesville as the lead district. The special education director for the county coordinates special education programs for the ten districts. Hopefully the success of the cooperative will lead to other cooperative efforts by the school districts. Consolidation efforts in the county have failed in recent years. The last major school reorganization took place in the county in 1948.³ Efforts to reorganize the Newark, Sulphur Rock, and Cord-Charlotte districts failed in 1977.

The county has experienced much industrial growth during the past decade. Foremost in industrial growth is the location of Eastman Kodak on the banks of the White River on the Sulphur Rock-Newark school districts boundary (about 50-50). Even more significant is the projected AP & L power plant to be located in the Newark School District.⁴ While many of the workers for Eastman and the AP & L will reside in the Batesville School

³Statement by Mr. Charles Allen, Independence County School Supervisor, Telephone conversation, September 18, 1978.

⁴Statement by Mr. John Hazelbaker, Superintendent of Newark Schools, Personal Interview, September 15, 1978.

District for various reasons, the tax monies from the plants will go chiefly to Newark and some to Sulphur Rock.

The Batesville School District is composed mainly of the city of Batesville (population approximately 10,000) and some surrounding rural land north of the White River. The city of Batesville has several factories and businesses. The chief industry is centered on poultry production. The chief farming in the area besides poultry production is made up of cattle (beef and dairy) production, crops such as cotton, rice, and truck patches, swine production, and soy beans.

The Batesville School District has an enrollment of approximately 2,100 in grades K-12. There are three elementary schools (East, West, and Central), one junior high (7-9) and one senior high (10-12). The Batesville School District is approximately 2 per cent black. The School has North Central accreditation and is considered one of the more progressive schools in the area. In 1977 the voters passed a bond issue to finance the construction of a new junior high school, which should be completed by 1980.⁵

FINANCIAL STATUS OF THE BATESVILLE SCHOOL DISTRICT

The Batesville School District is typical for a district its size in Arkansas. Its assessed valuation

⁵Statement by William Coop, Superintendent of the Batesville Schools, Personal Interview, September 18, 1978.

was \$15,354,231 for the year 1976.⁶ Its borrowing power was \$635,135 with the district debt at \$1,668,000 (ten years ago a new high school was built which accounts for much of this debt). The District has a millage of 56, with 22 for operating and 34 for debt service. With 108 certified personnel, the average salary was \$9,944 in 1976. The current expense per ADA was \$800 for 1976-77 and \$871 for 1977-78. This does not include federal funds which would raise the ADA above to \$851 and 930 respectively.

SUMMARY

The above description of the Gatesville School District shows the district as being a typical small-town school in Northcentral Arkansas. The district has done much in the past decade to expand its facilities and spends approximately \$850 per child on education. Its teachers' salaries is also average for the state, as is its millage. The reader can easily see that the district would be hard hit financially by any sudden increase in expenditures. Implementation of P.L. 94-142 and Arkansas Act 102 including the due process procedure could prove a hardship on the district if federal and state monies are not provided.

⁶ Annual Statistical Report of the Public Schools of Arkansas (Little Rock, Arkansas: January, 1978), pp. 56-57.

Section 4

THE COST OF DUE PROCESS

The purpose of this chapter was to report the findings of a time and cost analysis of due process procedure for special education for the Batesville School District #1 for the school year 1977-78.

THE DATA

Fifty-eight special education students in the Batesville School District were referred for testing and placement in the school year 1977-78. Fifty two were actually tested of the fifty eight referred. Twenty one were new referrals. The others were for re-evaluation.

Time and cost analysis sheets were kept for each student referred. Every time a student was referred, a folder was set up giving name, description, time, etc. Every time the folder was pulled, the time was computed by the special education director.

The number of personnel involved in providing due process was tabulated. The number of hours spent by each person was computed from the time sheets. The salary per hour was computed so that the total cost to the district of using each person could be tabulated for the fifty eight students. (Time was involved even with the six that were referred and not tested.)

The actual cost of having the due process done in terms of materials and supplies was also tabulated. The

minimum test battery was given to the fifty-two students. The time required to test was also tallied. A number of forms must be filled out and conferences set up for the due process. The average time to do this for each child was tabulated.

Administrative costs that were indirect, such as providing office space, etc., were not used in the analysis.

FINDINGS

The data shows the following:

Counselor	58 hours	\$ 556.46
Social Worker	21 hours 30 minutes	162.81
Speech Therapist	36 hours	278.53
Classroom Teachers	370 hours	3,100.60
Principals	32 hours 30 minutes	353.31
Comprehensive Testing	149 hours	2,704.00
Materials and Supplies		13.09
Totals	667 hours	\$7,168.80

The total time in hours for providing minimal due process for 58 students was 667 hours at a cost of \$7,168.80. This averages out to be \$123.60 per child and 11½ hours per child.

SUMMARY

The data shows that the cost of minimal due process procedure for a local district in Arkansas is \$123.60 and involves approximately 11½ hours per child. Again, "minimal" should be emphasized. Only a minimum evaluation took place. In testing only the Wechsler Intelligence Test, the Wide Range Achievement Test, the Bender Visual Motor Test, and the Draw-a-Person Test were given. The Cooperative is in

the process of trying to hire a full-time examiner who would give the maximum battery. This would add much to the cost and time of testing. The amount of actual federal dollars reaching the local level in 1977-78 as a result of implementation of P.L. 94-142 was shown earlier to be \$35.00 per pupil, short of the amount for implementation of minimal due process procedure as called for under the same law.¹

¹Savage, op. cit., p. 55.

Section 5

CONCLUSIONS AND RECOMMENDATIONS

The purpose of this chapter was to present the conclusions and recommendations for the implementation of due process procedures as required by Public Law 94-142 and Arkansas Law Act 102 as to cost and time factors on the local level.

CONCLUSIONS

The conclusions were drawn from the study of the data of implementation of minimal due process procedures as required by P.L. 94-142 and Act 102 as to cost and time factors for the Batesville School District #1 for the fiscal year 1977-78.

Implementation of P.L. 94-142 and Act 102 places large financial burdens on school districts that must be met with district funds. One aspect of implementation is due process procedure for each child placed. Minimal implementation for the Batesville School District for the year 1977-78 was \$123.60 per child or \$7,168.80 total. Eleven and one half hours per child were involved or 667 total hours. This is a considerable amount of time and money for minimal implementation. Indirect costs and time were not figured and would have increased the above amounts somewhat.

RECOMMENDATIONS

The following recommendations are made as a result

of this study:

(1) More federal and state dollars are needed so that implementation of due process procedure as required will not be a financial burden on the local district. In the year 1977-78, the federal government spent only \$35 per child under P.L. 94-142 for implementation at the local level.

(2) Clarification of terminology used in P.L. 94-142 is needed to prevent possible financial waste due to misunderstanding. Words and terms such as "due process" and "least restrictive setting" need to be clarified.

(3) Better organization of due process procedure could help cut down on financial waste. A study should be made of the procedure to discern if all the paper work and conferences now required are actually necessary to provide legal due process for each child. Perhaps some of the paper work and some of the conferences could be eliminated.

(4) More studies of costs and time for implementation on the local level need to be conducted to compare with this study. Certainly, a study of maximal implementation of due process procedure should be made to see what the ultimate cost and time would be.

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